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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: Case Nos. 00 B 41065
: (SMB)
RANDALL'S ISLAND FAMILY GOLF : through 00 B 41196
CENTERS, INC., et al., : (SMB)
: Debtors. : (Jointly Administered)
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ORDER AUTHORIZING AND APPROVING (A) A BREAK-UP FEE AS SET
FORTH IN THE AGREEMENT WITH RESPECT TO THE SALE OF
CERTAIN OF THE DEBTORS' INVENTORY AND (B) BIDDING
PROCEDURES FOR THE SUBMISSIONS AND ACCEPTANCE OF ANY
COMPETING BIDS

TO THE HONORABLE STUART M. BERNSTEIN,
UNITED STATES BANKRUPTCY JUDGE:

Upon the motion filed with this Court on December
20, 2000 (the "Motion"), of the above-captioned debtors and
debtors-in-possession (the "Debtors"), for orders authorizing
and approving (A) an Agreement (the "Agreement"), dated
December 20, 2000, by and between the Debtors and
Schottenstein/Bernstein Capital Group, LLC ("SBCG") with

respect to the Debtors' sale, pursuant to section 363 of title 11 of the United States Code (the "Bankruptcy Code"), of certain inventory (the "Inventory") free and clear of liens, claims, encumbrances and other interests and exempt from any stamp, transfer, recording or similar tax, (B) a break-up fee as set forth in the Agreement, (C) bidding procedures for the submission and acceptance of any competing bids and (D) the form and manner of notice; and after due deliberation and sufficient cause appearing therefor;

And it appearing that this Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334 and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2);

And it appearing that SBCG would be unwilling to proceed with the Agreement if the provisions therein providing for the break-up fee (the "Break-Up Fee") and the bidding procedures (the "Bidding Procedures") set forth in the Motion are eliminated from the Agreement;

And it appearing that the Debtors have demonstrated a sound business justification for the Break-Up Fee to SBCG under the circumstances, timing and procedures set forth in the Agreement;

And it appearing that the Break-Up Fee is fair and reasonable and was negotiated by the parties in good faith;

And it being necessary and appropriate to establish bidding procedures to be employed in connection with the Debtors' proposed sale of Inventory;

And it appearing that the Bidding Procedures proposed by the Debtors are fair and reasonable;

And the Debtors having provided good and sufficient notice of the hearing held before this Court on January 4, 2000 regarding the proposed Break-Up Fee and Bidding Procedures (the "Procedures Hearing") by providing notice to (i) the Office of the United States Trustee; (ii) counsel to the Official Committee of Unsecured Creditors; (iii) counsel to The Chase Manhattan Bank, as Agent for certain of the Debtors' prepetition and postpetition lenders; (iv) any party who expressed to the Debtors an interest in the Inventory; (v) any party with a lien on the Inventory; (vi) all applicable state and local taxing authorities; and (vii) any other party who has filed a notice of appearance and/or requested notice in these chapter 11 cases;

And it appearing that no other or further notice of the Procedures Hearing need be given;

ACCORDINGLY, after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the request for relief in the Motion regarding approval of the Break-Up Fee and the Bidding Procedures is hereby granted **SMB 1/4/01** ~~in all respects~~; and it is further

ORDERED that if the Court approves the sale of the Inventory to a higher and better bidder other than SBCG and the Inventory is not conveyed to SBCG, then SBCG shall be entitled to the Break-Up Fee and the Debtors shall cause the

Break-Up Fee to be paid to SBCG in accordance with the Agreement without further order of the Court; and it is further

ORDERED that the following procedures are hereby approved and shall govern the submission and acceptance of competing bids:

- (a) A hearing (the "Overbid/Sale Hearing") will be conducted before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004 in Room 723, on the 18th day of January, 2000 at 10:00 a.m.;
- (b) The initial overbid and any subsequent overbids must be on an "all cash" basis, and on substantially the same terms (as determined by the Debtors in their sole discretion) as the terms of the Agreement. If qualifying overbids are made, SBCG shall have the right, in its sole discretion, to submit its own and better bid in compliance with the bidding procedures herein;
- (c) The minimum initial overbid for the Inventory must be at least .70% higher than the Purchase Rate (as defined in the Agreement). Any subsequent overbid for the Inventory, to qualify as a higher and better offer, must be at least .10% higher than the previous qualifying bid;
- (d) The Debtors shall determine in good faith whether any particular overbid constitutes the highest and best bid for the Inventory. The highest and best bid, as determined by the Debtors in their sole discretion, in accordance with the procedures set forth herein, shall be submitted to the Court for approval immediately following the conclusion of the Overbid/Sale Hearing; and

(e) All offers shall remain irrevocably open and subject to acceptance by the Debtors until a closing takes place. In the event a closing does not take place with respect to an offer accepted by the Debtors, the Debtors reserve the right to accept any other offer deemed by them to be the highest and best offer at that time;

and it is further

ORDERED that the Debtors are hereby authorized and empowered to take such steps, expend such sums of money and do such other

things as may be necessary to implement and effect the terms
and requirements established by this Order.

Dated: New York, New York
January 4, 2001

/s/ STUART M. BERNSTEIN

UNITED STATES BANKRUPTCY JUDGE

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